IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:7-11-2006

CORAM

THE HONOURABLE MR.JUSTICE S.ASHOK KUMAR

C.R.P.PD.No.1053 of 2003

A.Packiam ... Petitioner

Versus

1.Shree Raghavendra Chit Fund (P)Ltd.,
"SURYA"No.19, Lake Area I, Cross Street,
Nungambakkam, Chennai-34,
rep. By its Managing Director
Mr.N.K.Vasan.
2.M.Rajalingam
3.R.Anbumani ... Respondents

Civil Revision Petition filed under Section 115 C.P.C. against the order dated 25.9.2002 made in I.A.No.6298 of 2001 in O.S.No.7892 of 1998 pending on the file of the XVI Assistant City Civil Judge, Chennai.

For Petitioner : M/s.T.Mohan
For Respondent : No Appearance.

ORDER

Aggrieved over the order of the XVI Assistant City Civil Judge, Chennai,dated 25.9.2002 made in I.A.No.6298 of 2001 in O.S.No.7892 of 1998, this civil revision petition has been filed.

2.The brief facts of the case are as follows:

The first respondent filed the suit in O.S.No.7892 of 1998 for recovery of a sum of Rs.2,64,140/- towards the balance payable by second respondent as a subscriber to the chit, for whom the petitioner and 3rd respondent have executed a surety bond. The petitioner/3rd defendant filed a petition in I.A.No.6298 of 2001 to reject the plaint on the ground that as per Section 64 (3) of the Chit Funds Act, 1982 barred by limitation and that the Civil Court has no jurisdiction to entertain the suit.

3.The learned Judge dismissed the said petition on the ground that it is to be proved whether the Chit Fund Act was extended to Bhuvaneswar or not only during trial and that according to the plaintiff, the place where the chit was organised at Bhuvaneswar, the act was not in force.

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4.Aggrieved over the same this civil revision petition is filed.

5.Inspite of notice there is no representation on behalf of the respondents and today the respondents name have been printed in the cause list.

6.The first defendant joined as a subscriber in the chit group for the value of Rs.3,00,000/- organised by the plaintiff. The chit amount to be paid on monthly instalments at Rs.4000/- per month. The first defendant was a successful bidder for the chit amount of Rs.1,45,125/- on 25.6.1992 in the 26th auction at Chennai. The defendants executed a promissory note jointly and severally on 21.8.1992 as security for the amount due and repayment towards the subscription payable in the chit. Due to failure of the first defendant to pay future instalments the plaintiff filed the suit and the same was taken on file by the XVI Assistant City Civil Judge, Chennai.

7.Mr.T.Mohan, the learned counsel appearing for the petitioner/3rd defendant would contend that before the said transaction had taken place at Bhuvaneswar the Chit Fund Act 1982 was in force. The petitioner and other defendants are also residing at Dindigul and therefore the suit is barred by limitation.

8.As seen from the plaint the address of the plaintiff is at Nungambakkam, Madras. Therefore the plaintiff is residing within the jurisdiction of Madras. The defendants are residing in Dindigul jurisdiction. The money was received on promissory note by the defendants at Madras. Therefore the suit has been filed at Madras.

9.Under Section 64 (3) of the Chit Funds Act 1982 no civil court can entertain any suit. Section 64(3) of the Chit Funds Act reads as follows:

> "No Civil Court shall have jurisdiction to entertain any suit or other proceedings in respect of any dispute referred to in Sub-Section (1)."

10.This is a case where the dispute has arisen from the prized subscriber with the foreman of the chit. Under Section 64(2) squarely applies to this case. To avoid Section 64(2) of the Act the plaintiff has taken the stand that no chit Fund Act was extended at Bhuvaneswar. Further the plaintiff is not sure whether the Chit Act has been extended at Bhuvaneswar or not and no document was produced by the plaintiff to prove that the chit was organised at Buvaneswar.

11.The cause of action has arisen only at Chennai where the chit fund institution is functioning and where the first defendant has received money and executed the promissory note. This is a dispute between the prized subscriber and the foreman of the chit. Section 64(2)of the Act squarely applies to the facts of the case. Therefore the plaint is liable to be dismissed.

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12.The civil revision petition is allowed and the plaint is rejected. No costs. Consequently the connected C.M.P.No.6967 of 2003 is closed.

Sd/-
Asst. Registrar.

/true copy/

Sub Asst. Registrar.

vk

To:
1. The Registrar,
City Civil Court, Chennai.

2. The XVI Assistant,
City Civil Judge, Chennai.

Copy To: The Section Officer, VR Section, High Court, Madras.

+ 1 CC To Mr. T.Mohan, Advocate SR NO.53304

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